

NEWS RELEASE

Office of Attorney General Terry Goddard



STATE OF ARIZONA
DEPARTMENT OF LAW
1275 W. Washington Street
Phoenix, Arizona 85007-2926

CONTACT:
Dianna Jennings
AG PRESS OFFICE
Phone: (602)-542-8019

FOR IMMEDIATE RELEASE

Companies' actions hurt Arizona consumers

Attorney General Terry Goddard Files Suit Against Energy Companies for Price Collusion

(Phoenix, AZ – March 10, 2003) – Your natural gas bill has been too high according to a lawsuit filed today by the Attorney General and Haralson, Miller, Pitt, Feldman & McAnally.

The suit was brought on behalf of the citizens of Arizona against a number of utility companies that deal in the natural gas industry for losses sustained as a result of alleged anticompetitive conduct. Among the companies named are El Paso Corporation and subsidiaries. Arizona residents are almost completely dependent upon the natural gas transported through El Paso's pipeline system from gas basins in New Mexico and Colorado. The lawsuit alleges that the defendants conspired to reduce the transmission capacity in the El Paso Pipeline and sell capacity not available on the pipeline in an attempt to elevate natural gas prices in Arizona and elevate their profits and to disenfranchise the State of Arizona of its rights a settlement agreement.

The suit alleges that Arizona businesses, municipalities, and residential consumers have paid and will pay inflated rates for natural gas due to the conduct of the companies and that the citizens of Arizona will also pay inflated electric costs.

Similar allegations have been made in other lawsuits filed in California and Nevada.